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Attorneys for Defendant Geoffrey S. Walsh

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF OREGON

PORTLAND DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

GEOFFREY S. WALSH,

Defendant.

CASE NO.: 3:13-cr-00332-SI

**PETITION TO ENTER PLEA OF
GUILTY, CERTIFICATE OF
COUNSEL, AND ORDER ENTERING
PLEA**

The defendant represents to the court:

1. My name is Geoffrey S. Walsh.
2. I speak and understand English fluently.
3. My attorneys are David Angeli and Kristen Tranetzki of the Angeli Ungar Law Group LLC.

4. My attorneys and I have discussed my case fully. I have received a copy of the Superseding Indictment (the “Indictment”) and the Second Superseding Information (the “Information”). I have read the Indictment and Information, and I have discussed them with my attorneys. My attorneys have counseled and advised me concerning the nature of the charges, any lesser-included offenses, and the possible defenses that I might have in this case. I have been advised and understand that the elements of the charges alleged against me to which I am pleading “GUILTY” are as follows: (1) As to Count 1 of the Indictment (which charges the crime of Conspiracy to Commit Wire Fraud, in violation of 18 U.S.C. § 1349), during the time period alleged in the Superseding Indictment, I agreed with one or more persons to commit the federal crime of Wire Fraud, in violation of 18 U.S.C. § 1343, and I became a member of the conspiracy knowing its object and intending to accomplish it; (2) as to Count 25 of the Indictment (which charges the crime of Wire Fraud, in violation of 18 U.S.C. § 1343), during the time period alleged in the Superseding Indictment, acting with an intent to defraud, I made up a material scheme or plan to obtain money or property by false promises, pretenses, representations, or omissions of material fact, knowing that the promises, pretenses, representations, or omissions were false or misleading, and used or caused to be used interstate wire communication to carry out or attempt to carry out the material scheme to defraud; and (3) as to Count 1 of the Information (which charges the crime of Conspiracy to Make False Entries in Bank Records), during the time period alleged in the Information, I agreed with at least one more person to commit the federal crime of Making False Entries in Bank Records (a violation of 18 U.S.C. § 1005), I became a member of the conspiracy knowing its object and intending to help accomplish it, and at some time during the existence of the conspiracy, at least one of its members performed an overt act in order to further the objective of the conspiracy.

5. I know that if I plead “GUILTY,” I will have to answer any questions that the judge asks me about the offense to which I am pleading guilty. I also know that if I answer falsely, under oath, and in the presence of my attorney, my answers could be used against me in a prosecution for perjury or false statement.

6. I am not under the influence of alcohol or drugs. I am not suffering from any injury, illness, or disability affecting my thinking or my ability to reason. Having spent substantial time with my attorneys discussing this matter, I am confident that I am capable of clear thinking and have the ability to reason in this matter.

7. I understand that conviction of a crime can result in consequences in addition to imprisonment. Such consequences may include deportation, or removal from the United States, or denial of naturalization, if I am not a United States citizen; loss of eligibility to receive federal benefits; loss of certain civil rights (which may be temporary or permanent depending on applicable state or federal law), such as the right to vote, to hold public office, and to possess a firearm; and loss of the privilege to engage in certain occupations licensed by state or federal governments.

8. I know that I may plead “NOT GUILTY” to any crime charged against me and that I may persist in that plea if it has already been made. I know that if I plead “NOT GUILTY” the Constitution guarantees me:

- a. The right to a speedy and public trial by jury, during which I will be presumed to be innocent unless and until I am proven guilty by the government beyond a reasonable doubt and by the unanimous vote of twelve jurors;
- b. The right to have the assistance of an attorney at all stages of the proceedings;

- c. The right to use the power and process of the Court to compel the production of evidence, including the attendance of witnesses in my favor;
- d. The right to see, hear, confront, and cross-examine all witnesses called to testify against me;
- e. The right to decide for myself whether to take the witness stand and testify, and if I decide not to take the witness stand, I understand that no inference of guilt may be drawn from this decision; and
- f. The right not to be compelled to incriminate myself.

9. I know that if I plead “GUILTY” there will be no trial before either a judge or a jury, and that I will not be able to appeal from the judge’s denial of any pretrial motions I may have filed concerning matters or issues not related to the Court’s jurisdiction.

10. In this case I am pleading “GUILTY” under Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure. My attorneys have explained the effect of my plea under Rule 11(c)(1)(B) to be as follows: The Court is not bound by the sentencing recommendations of the parties or of the Presentence Report (PSR) writer. I may not withdraw my guilty plea or rescind my plea agreement if the Court does not follow the agreements or recommendations contained in that agreement.

11. I know the maximum sentence which can be imposed upon me for the crimes to which I am pleading guilty are: (1) with respect to Count 1 of the Indictment, 20 years of imprisonment, a fine of \$250,000, and three years supervised release; (2) with respect to Count 25 of the Indictment, 20 years of imprisonment, a fine of \$250,000, and three years supervised release; and (3) with respect to Count 1 of the Information, 5 years of imprisonment, a fine of \$250,000, and three years supervised release.

12. I know that the judge, in addition to any other penalty, will order a special assessment as provided by law in the amount of \$100 per count of conviction.

13. I know that if I am ordered to pay a fine, and I willfully refuse to pay that fine, I can be returned to court, where the amount of the unpaid balance owed on the fine can be substantially increased by the judge and I can be imprisoned for up to one year.

14. My attorneys have discussed with me the Federal Sentencing Guidelines. I know they are used by the Court as advisory in determining a reasonable sentence. If my attorneys or any other person have calculated a guideline range for me, I know that this is only a prediction and that it is the judge who makes the final decision as to what the guideline range would have been and what sentence will be imposed. I also know that a judge may not impose a sentence greater than the maximum sentence referred to in paragraph 11, above.

15. I know that, under the Federal Sentencing Guidelines, if I am sentenced to prison, I am not entitled to parole. I will have to serve the full sentence imposed except for any credit for good behavior that I earn. I can earn credit for good behavior in prison at a rate of up to 54 days for each year of imprisonment served. Credit for good behavior does not apply to a sentence of one year or less.

16. I know that if I am sentenced to prison, the judge will impose a term of supervised release to follow the prison sentence. During my supervised release term, I will be supervised by a probation officer according to terms and conditions set by the judge. In my case, a term of supervised release can be up to three years. If I violate the conditions of supervised release, I may be sent back to prison.

17. I know that in addition to or in lieu of any other penalty, the judge can order restitution payments to any victim of any offense to which I plead guilty. I am also informed that, for certain crimes of violence and crimes involving fraud or deceit, it is mandatory that the judge impose restitution in the full amount of any financial loss or harm caused by an offense. If

imposed, a victim can use an order of restitution to obtain a civil judgment lien. A restitution order can be enforced by the United States for up to twenty (20) years from the date of my release from imprisonment, or, if I am not imprisoned, twenty (20) years from the date of the entry of judgment. If I willfully refuse to pay restitution as ordered, a judge may resentence me to any sentence which could originally have been imposed.

18. On any fine or restitution in an amount of \$2,500 or more, I know that I will be required to pay interest unless that fine or restitution is paid within fifteen (15) days from the date of the entry of judgment.

19. If I am on probation, parole, or supervised release in any other state or federal case, I know that by pleading guilty in this court my probation, parole or supervised release may be revoked and I may be required to serve time in that case, which may be consecutive, that is, in addition to any sentence imposed on me in this court.

20. If I have another case pending in any state or federal court, I know that my Petition and Plea Agreement in this case do not, in the absence of an express and written agreement, apply to my other case(s), and that I can be faced with consecutive sentences of imprisonment.

21. My plea of "GUILTY" is based on a Plea Agreement that I have made with the prosecutor. The Plea Agreement is attached hereto and incorporated herein. I have read the Plea Agreement and I understand it.

22. The Plea Agreement and the letter dated July 22, 2015, which has been presented to the Court, contain the only agreements between the United States government and me. No officer or agent of any branch of government (federal, state or local) or anyone else has promised or suggested that I will receive a lesser term of imprisonment, or probation, or any other form of

leniency if I plead “GUILTY” except as stated in those documents. I understand that I cannot rely on any promise or suggestion made to me by a government agent or officer which is not stated in writing in those documents, or which is not presented to the judge in my presence in open court at the time of the entry of my plea of guilty.

23. My plea of “GUILTY” is not the result of force, threat, or intimidation.

24. I hereby request that the judge accept my plea of “GUILTY” to Counts 1 and 25 of the Indictment and Count 1 of the Information.

25. I know that the judge must be satisfied that a crime occurred and that I committed that crime before my plea of “GUILTY” can be accepted. With respect to the charges to which I am pleading guilty, I represent that I did the following acts and that the following facts are true:

- 1) As to Count 1 of the Indictment (which charges the crime of Conspiracy to Commit Wire Fraud), between March and October 2011, Terwilliger Curves LLC, a company that I owned, purchased three condominiums (the “Condominiums”) in La Quinta, California. The Condominiums were purchased with funds (approximately \$1.1 million) provided by “S.P.,” a client of my brother, Gregory Walsh, who was an investment advisor at the time. I promised that, upon the sale of the Condominiums, S.P. would receive back her principal, plus 10 percent (10%) interest, and half of any additional profits from the sale. In May 2012, after being terminated from my position at the Bank of Oswego, and without S.P.’s knowledge or permission, I (through Terwilliger Curves LLC) pledged two of the Condominiums as collateral for a \$500,000 loan I took from “H.S.” In May and July 2012, I (through Terwilliger Curves LLC) sold those same two Condominiums, without S.P.’s knowledge or permission, and used the proceeds from the sale to satisfy other debts. I never repaid S.P. for her loan, as I had promised to do. I used interstate

wires (including facsimiles, text messages, and telephone calls) in furtherance of the activities described in this paragraph.

- 2) As to Count 25 of the Indictment (which charges Wire Fraud), in May 2012, I borrowed \$500,000 from “H.S.” I promised to repay H.S. the \$500,000, plus interest, and pledged as collateral the same two Condominiums referenced in the immediately preceding paragraph. I failed to disclose to H.S. that, at the time the loan was made, I was already in negotiations to sell one of those Condominiums. In May and July 2012, I (through Terwilliger Curves LLC) sold the two Condominiums, without H.S.’s knowledge or consent. I repaid H.S. a total of \$300,000, but the balance of the debt owed to him remains unpaid. I used interstate wires (including facsimiles, text messages, and telephone calls) in furtherance of the activities described in this paragraph.
- 3) As to Count 1 of the Information, from at least 2009 through February 2011, the Bank of Oswego (the “Bank”)—where I was employed at the time—was in second position on a loan taken by the owner of property located at 952 A Avenue, Lake Oswego, OR. The first mortgage was held by Citibank. In approximately October 2010, the A Avenue property went into foreclosure, and Citibank sold the property to the Federal National Mortgage Association (FNMA), commonly known as Fannie Mae. In the normal course, if the property were ultimately sold to a buyer for less than the amount of the first mortgage, the Bank of Oswego would have suffered a loss of approximately \$325,000, the value of the second mortgage it held on the property, and would have had to list that loss on its “call report” to the FDIC. Bank officers wanted to minimize the Bank’s loss on the property and did not want to report the loss to the FDIC because it would affect the Bank’s credit worthiness and rating. An individual with the initials G.R. expressed to the

Bank an interest in purchasing the property for a price higher than the amount of the first mortgage on the property, which price would reduce the loss that the Bank might otherwise suffer upon the sale of the property. I and others at the Bank attempted to have the Bank purchase the property, after which the Bank would sell the property to G.R. Originally, an attempt was made to purchase the first mortgage note from Citibank, but Citibank informed the Bank that the property had been sold to FNMA as part of a larger pool of loans. I and others at the Bank then attempted to purchase the property, on behalf of the Bank, from FNMA, but we were told that the property could only be sold to an individual, not a banking institution. In approximately January 2011, I and others at the Bank invited "D.W.," an employee at the Bank, to become a "straw buyer" to purchase 952 A Avenue, Lake Oswego, Oregon, after which D.W. would transfer ownership to the Bank, which would then sell it to G.R. The Bank gave \$267,000 of Bank of Oswego funds to D.W. to "purchase" the property. We failed to create any loan documentation for these funds. We also caused D.W. to sign and submit to Fannie Mae, a variety of false documents in order to complete the sale. Once the sale was completed, D.W. deeded the A Avenue property to Bank of Oswego, and the Bank immediately sold the property to G.R. for \$355,000, thereby avoiding approximately \$90,000 of loss that the Bank would otherwise have suffered. The Bank subsequently submitted call reports to the FDIC about the status of the real property located at 952 Avenue A, Lake Oswego, Oregon.

26. I offer my plea of "GUILTY" freely and voluntarily and of my own accord, with a full understanding of the allegations set forth in the Indictment and Information, and with a full

understanding of the statements set forth in this Petition and in the Certificate of my attorney that is attached hereto.

SIGNED by me in the presence of my attorney, after reading all of the foregoing pages and paragraphs of this Petition on this 22nd day of July 2015.



Geoffrey S. Walsh

CERTIFICATE OF COUNSEL

The undersigned, as attorney for defendant Geoffrey S. Walsh, hereby certifies:

1. I have fully explained to the defendant the allegations contained in the Superseding Indictment and Second Superseding Information in this case, any lesser-included offense(s), and the possible defenses which may apply in this case.
2. I have personally examined the attached Petition to Enter Plea of Guilty and Order Entering Plea, explained all its provisions to the defendant, and discussed fully with the defendant all matters described and referred to in the Petition.
3. I have explained to the defendant the maximum penalty and other consequences of entering a plea of guilty as described in the Petition, and I have also explained to the defendant the applicable Federal Sentencing Guidelines.
4. I recommend that the Court accept the defendant's plea of "GUILTY."

SIGNED by me in the presence of the above-named defendant, and after full discussion with the defendant of the contents of the Petition to Enter Plea of Guilty, and any Plea Agreement, on this 22nd day of July 2015.



David H. Angelo
Attorney for Defendant Geoffrey S. Walsh

ORDER ENTERING PLEA

I find that the defendant's plea of GUILTY has been made freely and voluntarily and not out of ignorance, fear, inadvertence, or coercion. I further find the defendant has admitted facts that prove each of the necessary elements of the crime to which the defendant has pleaded guilty.

IT IS THEREFORE ORDERED that the defendant's plea of GUILTY be accepted and entered as requested in this Petition and as recommended in the Certificate of defendant's attorney.

DATED this 22nd day of July 2015, in open court.

A handwritten signature in blue ink, appearing to read "Michael H. Simon", written over a horizontal line.

Hon. Michael H. Simon
United States District Court Judge

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